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Proposed programme budget for the biennium 2006-2007*

Part VI
Human rights and humanitarian affairs

Section 25
Palestine refugees

(Programme 21 of the biennial programme plan and priorities for the period 2006-2007)**

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* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixtieth Session, Supplement No. 6* (A/60/6/Add.1).

** *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6* (A/59/6/Rev.1).

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Overview

25.1 The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is responsible for the implementation of the work programme under this section. UNRWA was established as a subsidiary organ of the General Assembly by its resolution 302 (IV) of 8 December 1949 to carry out in collaboration with local governments the direct relief and works programmes and to consult with the interested Near Eastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available. In its resolution 3331 B (XXIX) of 17 December 1974, the General Assembly decided that, with effect from 1 January 1975, the expenses relating to the emoluments of international staff in the service of UNRWA, which would otherwise have been charged to voluntary contributions, should be financed by the regular budget of the United Nations for the duration of the Agency's mandate. The mandate of UNRWA has been renewed repeatedly, most recently by the General Assembly in its resolution 59/117 of 10 December 2004, when it was extended to June 2008.

25.2 UNRWA reports directly to the General Assembly, to which the Commissioner-General submits an annual report on the operations of the Agency. A general review of UNRWA programmes and activities is undertaken on an annual basis by the Advisory Commission, which comprises 11 members. The Advisory Commission has a working relationship with the Palestine Liberation Organization.

25.3 The activities for which UNRWA is responsible fall within programme 21 of the biennial programme plan for the period 2006-2007 (see A/59/6/Rev.1). The overall objectives of UNRWA for the biennium 2006-2007 are to continue to provide education, health, relief and social services, while also seeking to improve the level of human development and self-sufficiency, primarily through vocational training and increased microcredit and microenterprise opportunities for Palestine refugees living in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. The primary beneficiaries of the Agency's services are Palestine refugees, although certain non-refugees are provided services under exceptional circumstances as mandated by the General Assembly. Since 2000, UNRWA has also been providing emergency assistance to the 1.2 million refugee population in the occupied Palestinian territory. This assistance will continue should conditions of strife and closure persist.

25.4 The Agency's education subprogramme employs over 16,000 teaching staff and provides general education to some 493,000 refugee children in 660 schools. The school population is expected to grow to some 496,000 by the end of the 2005/06 school year. Vocational training is provided to some 5,200 students in eight training centres.

25.5 The foundation of the Agency's health care is its network of 122 primary facilities providing comprehensive health care, including outpatient medical care, dental care, laboratory services, disease prevention and control, maternal and child health care and family planning services. UNRWA also runs one hospital in the West Bank and supports other secondary and tertiary care of refugees through a combination of contractual agreements with non-governmental and private hospitals and partial reimbursement of treatment costs.

25.6 The Agency's relief and social services subprogramme focuses on the particularly vulnerable refugees. As at the end of December 2004, some 250,000 special hardship cases were benefiting from food support and selective cash assistance. The number of special hardship cases is expected to grow by at least 7 per cent in the biennium 2006-2007. UNRWA supports 102 community centres that cater to women, children and the disabled.

25.7 The Agency's microfinance and microenterprise subprogramme is the largest credit programme in the occupied Palestinian territory. In 2004, it disbursed some 15,000 loans valued at $12.6 million. Despite the ongoing crisis, repayment rates remain above the ninetieth percentile. Particularly successful in terms of repayment rate has been the group solidarity lending programme. Concentrated in the Gaza Strip, it lends to groups of women who guarantee each other's loans.

25.8 In addition to its four regular subprogrammes, UNRWA has launched emergency appeals since the start of the intifada in the occupied Palestinian territory in September 2000. These appeals, which include cash and in kind assistance, food distribution and an employment creation programme, are targeted to the most vulnerable refugees in the West Bank and the Gaza Strip. The 2004 emergency appeals received only 53 per cent of the $209 million required.

25.9 UNRWA operates two liaison offices in New York and Geneva, which are critical to the smooth operation and ongoing funding for the Agency. The Liaison Office in New York provides an important communication function with the General Assembly and with joint and intergovernmental bodies, such as the Fourth and Fifth Committees, the Advisory Committee on Administrative and Budgetary Questions and the Working Group on the Financing of UNRWA. Considering the Agency's sensitive role in a volatile region, the Liaison Office in New York also provides important direct contact with the Department of Political Affairs, as well as much-needed outreach and advocacy. The Liaison Office in Geneva provides both critical links with agencies with which UNRWA has substantive cooperation and essential proximity to the capitals of major European funders. In addition, the interactions of the Liaison Offices with the media positively affect understanding of the work of UNRWA throughout the world.

25.10 A major international conference in Geneva in June 2004 engaged a wide range of stakeholders on issues pertinent to the well-being of the Palestine refugee population. The conference focused on building awareness of the humanitarian needs of refugees in the Near East, providing an opportunity for government decision makers to take a more in-depth look at the challenges faced by UNRWA, reaching out to a wider diplomatic audience, providing recommendations on strengthening the Agency's capacity to provide essential services to beneficiaries, enhancing the dynamic process of dialogue and partnership with donors, host authorities and other stakeholders and widening the Agency's donor base through participation and commitment of new partners to the process. Ongoing discussions include ways to better address funding shortfalls, the rights of the child, refugee protection and camp development, as well as the economic and social well-being of the refugees.

25.11 UNRWA has developed a strategic plan that sets out the Agency's priorities, reflects the ongoing discussions in UNRWA and outlines strategies to deal with various scenarios reflecting political and economic changes in the occupied Palestinian territory. The main objectives include ensuring parity of the Agency's services with those of the host authorities and with international standards and addressing the actual needs of vulnerable refugees in the areas of mental health, disability (including learning disabilities) and psychosocial counselling. Focus is also given to increasing the participation in communities of minority groups, including women, youth and the disabled, maximizing the economic potential of refugees with particular emphasis on women, and building capacity in UNRWA, including gender mainstreaming, human resource and career development needs, and management information systems. An internal evaluation and research capacity will be established by building on the ongoing partnership with the Graduate Institute of Development Studies, Geneva, and the Catholic University of Louvian, Belgium, which is enhancing the Agency's data collection and analysis capacity and, hence, its ability to plan and evaluate programmes accurately and effectively.

25.12 The expected accomplishments and indicators of achievement for the biennium 2006-2007 are detailed, together with required resources, under the programme of work. The overall framework of these expected accomplishments and indicators of achievement is shown in table 25.1.

Table 25.1 **Framework of expected accomplishments and indicators of achievement by component**

Component	*Number of expected accomplishments*	*Number of indicators of achievement*
Programme of work		
Education	3	5
Health	5	9
Relief and social services	2	4
Microfinance and microenterprise	2	4
Total	**12**	**22**

25.13 The overall regular budget resources required for the biennium 2006-2007 under this section amount to $35,196,800, before recosting, which reflects a net increase of $555,800 (or 1.6 per cent at 2004-2005 rates). The resource growth (see table 25.2) can be summarized as the delayed impact relating to five new international posts approved by the General Assembly for the biennium 2004-2005 ($765,800), the cost of three new posts proposed for 2006-2007 ($496,900) (see table 25.3), the cost of data-processing infrastructure support ($1,500) and a reduction of $708,400 for non-recurrent resources appropriated for safety and security improvements by the Assembly in 2004-2005.

25.14 During the biennium 2006-2007, the Agency projects that $1.57 billion of extrabudgetary resources will be required, in large part as a result of its strategic plan and the evolving operational environment in the occupied Palestinian territory.

25.15 Pursuant to General Assembly resolution 58/269 of 23 December 2003, resources identified for the conduct of monitoring and evaluation activities would amount to $691,800, $527,000 of which is funded from extrabudgetary resources and $164,800 from the regular budget.

Table 25.2 **Resource requirements by component**

(Thousands of United States dollars)

(1) *Regular budget*

Component	*2002-2003 expenditure*	*2004-2005 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2006-2007 estimate*
			Amount	*Percentage*			
Palestine refugees	29 386.6	34 641.0	555.8	1.6	35 196.8	1 776.9	36 973.7
Total	**29 386.6**	**34 641.0**	**555.8**	**1.6**	**35 196.8**	**1 776.9**	**36 973.7**

(2) *Extrabudgetary*

	2002-2003 expenditure	*2004-2005 estimate*	*2006-2007 estimate*
Total	**792 878.0**	**1 366 520.7**	**1 571 498.9**
Total (1) and (2)	**822 264.6**	**1 401 161.7**	**1 608 472.6**

Table 25.3 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2004-2005	*2006-2007*	*2004-2005*	*2006-2007*	*2004-2005*	*2006-2007*	*2004-2005*	*2006-2007*
Professional and above								
USG	1	1	-	-	-	-	1	1
ASG	1	1	-	-	-	-	1	1
D-2	2	2	-	-	2	2	4	4
D-1	12	12	-	-	2	2	14	14
P-5	19	19	-	-	2	2	21	21
P-4/3	62	65	-	-	21	21	83	86
P-2/1	2	2	-	-	16	16	18	18
Subtotal	**99**	**102**	**-**	**-**	**43**	**43**	**142**	**145**
General Service								
Other level	11	11	-	-	1	1	12	12
Subtotal	**11**	**11**	**-**	**-**	**1**	**1**	**12**	**12**
Total	**110**	**113**	**-**	**-**	**44**	**44**	**154**	**157**

Programme of work

25.16 The programme of work has been formulated by drawing upon programme 21 (Palestine refugees) of the biennial programme plan and priorities for the period 2006-2007.

Subprogramme 1
Education

Table 25.4 **Objectives for the biennium, expected accomplishments and indicators of achievement and performance measures**

Objective of the Organization: To meet the basic educational and training needs of Palestine refugees, in particular children and youth, and to enhance their educational and employment opportunities.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Improved quality of education provided to the Palestine refugee population at all levels and increase its coverage	(a) (i) Pass rate for pupils in the basic education cycle *Performance measures*: 2002-2003: 96 per cent Estimate 2004-2005: 96 per cent Target 2006-2007: 96 per cent (ii) Number of additional educational facilities or other infrastructure facilities constructed or renovated *Performance measures*: 2002-2003: 274 additional facilities Estimate 2004-2005: 384 additional facilities Target 2006-2007: 793 additional facilities (iii) Number of education staff from various categories (teaching and non-teaching) trained *Performance measures*: 2002-2003: 1,800 staff Estimate 2004-2005: 1,800 staff Target 2006-2007: 1,800 staff

(b) Adapted and improved course content and curricula in both the general and technical education programmes to match developments in host countries	(b) Percentage of the curricula adapted or improved relative to the total number of modifications required *Performance measures*: 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent
(c) Adapted and improved course content and curricula in vocational training institutions to meet changing market conditions	(c) Percentage of the curricula adapted or improved relative to the total number of modifications required *Performance measures*: 2002-2003: 100 per cent Estimate 2004-2005: 100 per cent Target 2006-2007: 100 per cent

External factors

25.17 Significant external factors that may affect the achievement of the expected accomplishments are:

(a) The absence of empirical information systems in the host authorities, as well as limited access to available information, resulting in difficulty in identifying labour market needs;

(b) Lack of availability of land to construct new schools or replace unsuitable rented ones;

(c) A worsening economic situation and increased unemployment leading to increased dropout and failure rates;

(d) Funding constraints resulting in (i) difficulty to respond to unplanned curricular changes introduced by the host authorities and (ii) restricted ability to improve the learning environment (e.g., double shifting schools, school maintenance, furniture and equipment).

Outputs

25.18 During the biennium 2006-2007, the following outputs will be delivered:

(a) Provision of pre-service teacher training;

(b) Upgrading of teaching and training skills;

(c) Provision of counselling and career guidance for Palestine refugee students;

(d) Provision of general education to eligible refugee children in 660 UNRWA elementary and preparatory schools (and secondary education in Lebanon);

(e) Provision of technical and vocational training;

(f) Construction or renovation of educational facilities;

(g) Adaptation of vocational training programme syllabuses to reflect changing market demands;

(h) Harmonization of curricula for the Agency's general and technical education programmes with those offered by the respective host authorities.

Subprogramme 2
Health

Table 25.5 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To meet the basic health needs of Palestine refugees and to improve the overall state of health of their community.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Reduced infant and maternal mortality from preventable causes related to pregnancy and childbirth, with special emphasis on reduction of neonatal mortality	(a) (i) Percentage of infants delivered by trained personnel *Performance measures*: 2002-2003: 96.7 per cent Estimate 2004-2005: 98 per cent Target 2006-2007: 98 per cent (ii) Percentage of pregnant women registered with health-care services *Performance measures*: 2002-2003: 68 per cent Estimate 2004-2005: 70 per cent Target 2006-2007: 70 per cent
(b) Reduced morbidity, disability and mortality from communicable and non-communicable diseases	(b) (i) Maintenance of above 95 per cent immunization coverage rate against vaccine-preventable diseases *Performance measures*: 2002-2003: 99 per cent or higher immunization coverage Estimate 2004-2005: 99 per cent or higher immunization coverage Target 2006-2007: 99 per cent or higher immunization coverage (ii) Percentage of newly detected cases managed for non-communicable diseases

	Performance measures: 2002-2003: 7 per cent of newly detected cases Estimate 2004-2005: 8 per cent of newly detected cases Target 2006-2007: 10 per cent of newly detected cases
(c) Enhanced environmental sustainability in refugee camps and improvement of safe indoor water facilities	(c) (i) Percentage of camp refugee shelters connected to underground sewerage systems *Performance measures*: 2002-2003: 78 per cent of refugee shelters Estimate 2004-2005: 85 per cent of refugee shelters Target 2006-2007: 89 per cent of refugee shelters (ii) Number of camps provided with safe indoor water facilities *Performance measures*: 2002-2003: 98 camps Estimate 2004-2005: 98 camps Target 2006-2007: 99 camps
(d) Streamlined health policies and service standards with those of the host authorities	(d) Number of partnership agreements and joint programmes with the host authorities *Performance measures*: 2002-2003: 25 agreements Estimate 2004-2005: 25 agreements Target 2006-2007: 35 agreements
(e) Reduction of nutritional disorders	(e) (i) Decreased prevalence of anaemia among pregnant women and pre-school children *Performance measures*: 2002-2003: 35 per cent Estimate 2004-2005: 33 per cent

	Target 2006-2007: 30 per cent
	(ii) Decreased prevalence of acute malnutrition among pre-school children
	Performance measures:
	2002-2003: 9.3 per cent
	Estimate 2004-2005: 8 per cent
	Target 2006-2007: 7 per cent

External factors

25.19 Significant external factors that may affect the achievement of the expected accomplishments are:

(a) Sudden increases in the cost of services and supplies promulgated by the host authorities that result in unplanned/unforeseen expenditure;

(b) Funding shortfalls that limit the programme's ability to cope with the increased burden of non-communicable diseases and addressing unmet primary health needs, such as child disabilities and psychosocial health;

(c) Crisis situations resulting in deterioration of the health and nutritional status of the population;

(d) Shortage of resources for development projects that place limitations on improvement of the camp infrastructure of water and sanitation facilities.

Outputs

25.20 During the biennium 2006-2007, the following outputs will be delivered:

(a) Provision of a user manual and relevant electronic files, with links to field offices and headquarters, on the new management health information system for the surveillance and management of maternal risk factors and on non-communicable diseases associated with adverse outcomes;

(b) Provision to camps in the Jordan and West Bank fields of additional vehicles and containers for the mechanization of solid waste collection and disposal;

(c) Regular immunization of all registered infants under the age of 12 months; two rounds of mass immunization campaigns against poliomyelitis and measles; participation in the national programmes of the host authorities for control of tuberculosis and HIV/AIDS;

(d) Completion of eight projects to improve the sewerage systems in refugee camps in Lebanon, the Syrian Arab Republic and the Gaza Strip;

(e) Provision of five in-service training courses for medical and nursing staff for orientation of staff on the new management health information system;

(f) Provision of information technology equipment for implementation of the new system at 36 additional health centres in the five field offices;

(g) Distribution of monthly dry rations of food commodities to pregnant women, nursing mothers and tuberculosis patients receiving care at UNRWA primary health-care facilities;

(h) Holding of negotiations and joint working committee meetings for the development of joint initiatives with the host authorities;

(i) Provision of over 19 million medical consultations and preventive care for approximately 600,000 pregnant women and pre-schoolchildren;

(j) Provision and enhancement of psychological counselling and support services in the occupied Palestinian territory;

(k) Provision of specialist obstetrics, gynaecology and cardiology care; secondary care through a hospitalization scheme for approximately 120,000 refugee patients at government and non-governmental organization hospitals;

(l) Revision of technical guidelines and management protocols that define the standards of care; holding of a minimum of 10,000 staff-days of in-service training; promotion of the concept of total quality management; undertaking of 10 periodic assessments and 10 health services research studies;

(m) Distribution to target groups of 10 sets of educational material on safe reproductive health practices and newborn care;

(n) Implementation within a multisectoral approach of targeted health education and promotion activities that are core elements of the programme. Current initiatives are aimed at promoting healthy lifestyles among population groups at risk, as well as educating youth on prevention of HIV/AIDS and other sexually transmitted diseases and preventing tobacco use;

(o) Conclusion of partnership agreements with major stakeholders, including United Nations specialized agencies, public health departments of the host authorities, local and intergovernmental organizations and research institutions, to streamline strategies, align practical aspects of health policy and enhance programme analysis and evaluation capacity.

Subprogramme 3
Relief and social services

Table 25.6 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To support those Palestine refugees who suffer the greatest socio-economic disadvantage and to facilitate their self-reliance.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Improved living conditions and more timely cash and food distributions to eligible refugees	(a) (i) Percentage of shelters rehabilitated in relation to identified housing needs *Performance measures*: 2002-2003: 24 per cent

	Estimate 2004-2005: 25 per cent Target 2006-2007: 25 per cent (ii) Percentage of cash and food distributions made on time *Performance measures*: 2002-2003: 91.7 per cent Estimate 2004-2005: 99 per cent Target 2006-2007: 100 per cent
(b) Enhanced well-being of disadvantaged Palestine refugees	(b) (i) Number of jobs created or sustained through the microcredit community support programme (group guaranteed loans, soft loans and apprenticeship training, etc.) *Performance measures*: 2002-2003: 1,916 jobs Estimate 2004-2005: 1,500 jobs Target 2006-2007: 2,000 jobs (ii) Number of disabled clients who received direct rehabilitation from community rehabilitation centres *Performance measures*: 2002-2003: 3,600 clients Estimate 2004-2005: 4,200 clients Target 2006-2007: 4,800 clients

External factors

25.21 Significant external factors that may affect the implementation of the expected accomplishments are:

(a) Insufficient funding for the relief and social programme will hinder the quality of the planned activities and services for 2006-2007 due to the increased demand on the programme's humanitarian and social services;

(b) Delivery of in kind food donations and cash subsidies to refugees is mainly dependent on timely delivery by the donor community.

Outputs

25.22 During the biennium 2006-2007, the following outputs will be delivered:

(a) Provision of credit loans through group guaranteed and individual lending schemes;

(b) Provision of credit loans to disadvantaged refugees and their families to meet basic needs;

(c) Maintenance of food and storage safety, with special focus on the Agency's 10 warehouses, 57 food distribution centres and 128 distribution points;

(d) Maintenance of minimum standards for special hardship case families in respect of nutrition and shelter rehabilitation;

(e) Provision of rehabilitation services to persons with disabilities;

(f) Provision of targeted support for civic, recreational and sports activities for refugee children and youths, including those with disabilities;

(g) Provision of technical assistance to 102 community-based organizations on key issues, such as community development concepts, development of annual work plans and services, budgeting and financial management, fund-raising, management and networking skills;

(h) Improvement and maintenance of updated records of the 4.8 million refugees in the region, including training of staff on eligibility and the registration process.

Subprogramme 4
Microfinance and microenterprise

Table 25.7 **Objectives for the biennium, expected accomplishments and indicators of achievement**

Objective of the Organization: To improve the quality of life of small and microentrepreneurs, create and sustain jobs, decrease unemployment and provide income-generating opportunities for needy men and women through the provision of credit.

Expected accomplishments of the Secretariat	Indicators of achievement
(a) Increased business and income-generating opportunities	(a) (i) Value of loans disbursed *Performance measures*: 2002-2003: $11,320,723 Estimate 2004-2005: $49,500,000 Target 2006-2007: $137,000,000 (ii) Number of loans disbursed *Performance measures*: 2002-2003: 16,142 loans Estimate 2004-2005: 51,000 loans Target 2006-2007: 123,500 loans

(b) Improved development of the capacity of women microentrepreneurs	(b) (i) Number of loans provided to women-owned enterprises *Performance measures*: 2002-2003: 7,553 loans Estimate 2004-2005: 11,200 loans Target 2006-2007: 17,000 loans (ii) Amount of outstanding balance on women's loans *Performance measures*: 2002-2003: $865,542 Estimate 2004-2005: $1,485,000 Target 2006-2007: $1,755,000

External factors

25.23 Significant external factors that may affect the achievement of the expected accomplishments are:

(a) Continued deterioration of the Palestinian economy and the regime of curfews and closures affecting programme performance in the West Bank and the Gaza Strip, resulting in a decline in credit outreach and cost recovery;

(b) The putative Israeli withdrawal from Gaza in 2005 could lead to further contraction of the economy if this is not accompanied by a new trade regime that allows Palestinian workers and businesses open access to trade and labour markets;

(c) A return to negotiations and the lifting of closures and curfews in the West Bank and the Gaza Strip could lead to the programme surpassing its targets.

Outputs

25.24 During the biennium 2006-2007, the following outputs will be delivered:

(a) Disbursement of 89,500 business loans valued at $112.2 million in the West Bank, the Gaza Strip, Jordan and the Syrian Arab Republic through the small-scale enterprise credit and microenterprise credit programmes;

(b) Provision of business training courses in the Gaza Strip to support small businesses and encourage entrepreneurship;

(c) Introduction of a new housing loan product in the West Bank, Jordan and the Syrian Arab Republic following its successful launch in Gaza in 2005; disbursement of 1,044 housing loans valued at $5.4 million;

(d) Introduction of the consumer loan product in Jordan and the Syrian Arab Republic following its successful launch in the West Bank and the Gaza Strip; disbursement of 33,000 consumer loans valued at $27 million;

(e) Introduction of a small-scale enterprise product in Jordan and the Syrian Arab Republic;

(f) Opening of six new branch offices, through which credit products are delivered, in the West Bank, Jordan and the Syrian Arab Republic;

(g) Introduction of a new loan management system.

Table 25.8 **Resource requirements**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2004-2005*	*2006-2007 (before recosting)*	*2004-2005*	*2006-2007*
Regular budget				
Post	33 920.3	35 183.0	110	113
Non-post	720.7	13.8	—	—
Subtotal	**34 641.0**	**35 196.8**	**110**	**113**
Extrabudgetary	1 366 520.7	1 571 498.9	44	44
Total	**1 401 161.7**	**1 606 695.7**	**154**	**157**

25.25 The amount of $35,196,800 provides for international posts, general temporary assistance and resources for centrally provided data-processing infrastructure services and support costs. The increase of $555,800 in resources is the net effect of increased requirements arising from (a) the delayed impact of five new international posts (1 D-1, 1 P-5, 1 P-4, 2 P-3) approved by the General Assembly for the biennium 2004-2005 ($765,800), (b) the cost of three new posts (2 P-4 and 1 P-3) proposed for 2006-2007 ($496,900) and (c) the cost of data-processing services and support ($1,500), offset by a reduction of $708,400 for non-recurrent resources approved by the General Assembly in resolution 59/276 of 23 December 2004 for security and safety improvements.

25.26 The functions of the three new proposed posts are as follows:

(a) UNRWA has been aware of the need to strengthen its evaluation and research capacity. A new P-4 Evaluation and Research Officer, supported by area staff, will establish an Agency-wide capability to perform this role;

(b) An essential function for the Agency is to consolidate its approach to development in the camps, which have seen a marked deterioration in living conditions in recent years. The Agency's successful management of major infrastructure projects in the last two years and developments in the peace process further justify the need for this new function, which will be attached to the Operational and Technical Services Department. A new P-4 post to head the Camp Development Unit is proposed to carry out this function;

(c) An already substantial project workload is expected to increase with the implementation of the strategic plan. In addition, requirements for project activities have increased sharply, particularly in the Gaza Strip. A new P-3 post is proposed for a Projects Officer in the Gaza field office who will monitor and ensure the implementation of projects.

Table 25.9 **Summary of follow-up action taken to implement the relevant recommendations of the oversight bodies**

Brief description of the recommendation	*Action taken to implement the recommendation*
United Nations Board of Auditors (A/59/5/Add.3, chap. II)	
The Board recommends that UNRWA consider the disclosure of items in the financial report in terms of best governance principles relating to oversight, performance reporting, social accounting issues, risk management, continuity and internal control issues. In this regard, UNRWA should revert to paragraph 6 of General Assembly resolution 57/278, since better disclosure would be a step towards taking a proactive approach to the review requested by the Assembly (para. 29).	UNRWA will ensure adequate disclosure in its next published financial report of those items that as are found to be related to its financial operations. Full disclosure of all these issues is available in the annual report of the Commissioner-General to the General Assembly, the UNRWA biennial budget submission and other publications.
The Board reiterates its recommendations that UNRWA continue its efforts to recover the outstanding tax reimbursements and that it make further appeals to the relevant authorities to fully accept the tax-exempt status of the Agency (para. 44).	The Agency was able to achieve substantial progress in the recovery of overdue reimbursement of taxes during the biennium, reducing the amount of value added tax outstanding from Governments from $20.96 million to $13.86 million. Efforts to recover outstanding amounts and representations regarding the tax-exempt status of the Agency continue to be made by both Headquarters and field offices and involve correspondence and meetings with the relevant authorities up to the highest level. This is an ongoing activity.
The Board reiterates its recommendation that UNRWA, in conjunction with United Nations Headquarters, review the funding mechanism and targets for providing for end-of-service and post-retirement benefits liabilities (para. 51).	Separation costs are charged to the period in which payment is made. Future payments will be funded from their respective budgets. UNRWA regards the allocation of current funding to future staff costs inappropriate to its current situation. Provisions for future costs do not figure in the organization's budget, which requires approval by the General Assembly. Funding for separation entitlements arising from a future non-renewal of the Agency's mandate will be considered within the overall context of the political settlement of issues in the region.
The Board recommends that UNRWA develop further its donor base (para. 68).	UNRWA is continuing and expanding its efforts to broaden its donor base, with both States and potential non-State contributors. The Agency has allocated additional financial resources to this end while acknowledging

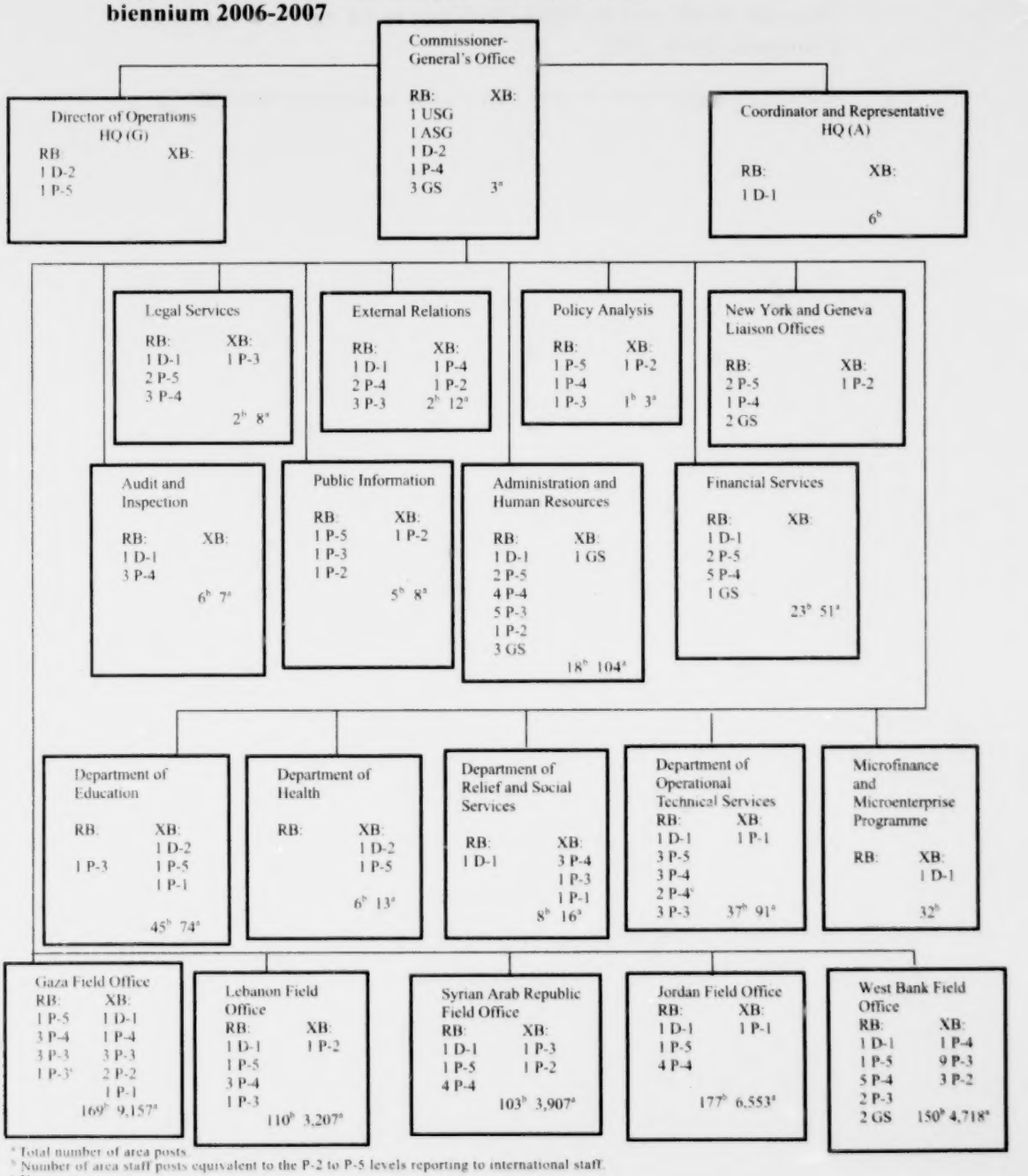
Brief description of the recommendation	*Action taken to implement the recommendation*
	competing demands on donor countries. Major corporations have been approached with a view to initiating cooperation. "Friends of UNRWA" associations are being established in key countries, an Arabic language UNRWA web site has been brought online and an External Relations Office has been opened in the United Arab Emirates.
UNRWA agreed with the Board's recommendation:	
(a) To reassess the representation and size of the Microfinance and Microenterprise Programme Advisory Board with the overall objective of improving effectiveness and transparency; and	(a) This item on representation and size of the Microfinance and Microenterprise Programme Advisory Board was discussed with the Board in early December 2004. It did not agree with the Board of Auditors' recommendation to expand the Advisory Board's membership. Rather, the Advisory Board suggested that the membership remain the same. Also, in order to improve transparency, the Advisory Board recommended that there be a separate presentation each year on the Microfinance and Microenterprise Programme to which the Agency's major donors and host Governments should be invited.
(b) To expand the terms of reference of the Advisory Board to include the term of membership, disclosure of conflicts of interest and remuneration benefits (para. 101).	(b) The Advisory Board agreed that the term of membership, disclosure of conflicts of interest and remuneration benefits should be clarified and recommended that they be included in either organizational directive 25 or other appropriate instruments. This recommendation has still to go before the Commissioner-General.
The Board recommends that the UNRWA Provident Fund: (a) expedite the finalization of a consolidated set of regulations and rules governing the Fund to enable members to have a single point of reference when dealing with Provident Fund matters; (b) address the dissolution of the Provident Fund, although the financial statements of the Fund are prepared on a going concern basis; and (c) undertake an evaluation to benchmark its draft regulations and rules against the Financial Regulations and Rules of the United Nations and international best practices (para. 116).	The consolidated set of regulations and rules (Organizational Directive) governing the Provident Fund, along with the terms of reference for the Provident Fund secretariat, were drafted and discussed at the Provident Fund Committee meeting held on 23 November 2004. Accordingly, the Commissioner-General approved the issuance of the draft after its review by the relevant parties in UNRWA. The draft was forwarded to the Director of Administration and Human Resources for review in December 2004. The documents are currently under review by the Director. The draft Organizational Directive includes updates to the current terms of

Brief description of the recommendation	*Action taken to implement the recommendation*
	reference for the Provident Fund Committee and the Investment Advisory Committee, as recommended by the Board of Auditors. The matter of dissolution of the Fund is also included. The draft Organizational Directive is benchmarked against United Nations Joint Staff Pension Fund rules and regulations as well as Provident Fund and Pension Fund best practices.
The Board recommends that UNRWA consider including external members on its Audit and Inspection Committee (para. 150).	The Audit and Inspection Committee deliberated on this recommendation in December 2004 and will make appropriate recommendations to the Commissioner-General after obtaining best practices in this regard.
The Board recommends that UNRWA expand the terms of reference of both the Audit and Inspection Department and Audit and Inspection Committee to include reviews and monitoring of reports issued by all auditors and evaluation teams (para. 155).	The Audit and Inspection Committee deliberated on this issue in December 2004 and agreed to its implementation with immediate effect.
The Board recommends that UNRWA establish a mechanism to formally evaluate, on the basis of predetermined criteria, requests from third parties to conduct audits and reviews, in consultation with other United Nations organizations, with a view to applying consistent practices. Those criteria should include consultation with the Board of Auditors for requests that could have an impact on the Board's mandate and in the context of the General Assembly's position on third-party audit agreements (para. 170).	The Audit and Inspection Committee deliberated on this recommendation in December 2004 and acknowledged that UNRWA already followed a predetermined criteria for third-party audits. Hence, the recommendation may be considered as having been implemented.
The Board recommends that UNRWA continue to review the supplier database on a regular basis to ensure that it is valid, accurate and complete (para. 210).	The Procurement and Logistics Division undertook a review of all suppliers in the system and validated their data and details. As a result, 139 suppliers were removed from the list. The Procurement and Logistics Division continues to review and update the supplier database throughout the year with the intention of having a list of the "best of the best" suppliers with regard to quality of service and performance.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation that it expedite the process of approving the information and communication technology strategic plan. UNRWA also agreed to update this plan on a continuous basis to provide for changing circumstances in respect of requirements of UNRWA and technological advances (para. 213).	The information and communication technology strategy and master plan was approved and issued on 1 November 2004.
UNRWA agreed with the Board's recommendation that it pursue its plan to recruit an information and communication technology security administrator and develop an information and communication technology security policy as soon as possible. UNRWA also agreed to develop, approve and update its security policy on a regular basis in order to provide guidelines for compliance by staff members. UNRWA should communicate this policy to all personnel, stressing the importance of adherence thereto (para. 216).	UNRWA recruited a security administrator who joined on 22 August 2004. The development of an information and communication technology security policy is being undertaken by the new security administrator as a high-priority assignment and the following main activities have commenced: (a) A security risk assessment to identify network and systems vulnerabilities (completed in December 2004); (b) The development of an information and communication technology security policy that serves the Agency's business needs; (c) The development of security plans and procedures for the Agency's main systems and applications based on the information and communication technology security policy; (d) The implementation of Agency-wide security plans and procedures is to be completed in 2006.
UNRWA agreed with the Board's recommendation that it implement adequate back-up procedures as part of a disaster recovery plan. UNRWA also agreed to develop and approve a comprehensive disaster recovery plan, communicate it to all personnel, test it regularly and review and update the plan regularly. A copy of the disaster recovery plan should be kept off-site (para. 220).	Recovery plans for most information and communication technology systems exist but need to be included in a comprehensive disaster recovery plan. Once the plan is approved, it will be communicated to all staff and tested during 2005, and will be reviewed and updated on a regular basis. It is expected that the disaster recovery plan will be finalized/tested and deployed by December 2005.

Brief description of the recommendation	*Action taken to implement the recommendation*
UNRWA agreed with the Board's recommendation that all cases of fraud and presumptive fraud should be reported to the Audit and Inspection Department in a timely manner and that the Department should maintain an updated database of all such matters as part of the UNRWA fraud prevention plan (para. 239).	Audit and Inspection Department maintains an updated database of fraud and presumptive fraud. Hence, this recommendation may be considered as having been implemented.

Organizational structure and post distribution for the biennium 2006-2007


Commissioner-General's Office
RB: 1 USG, 1 ASG, 1 D-2, 1 P-4, 3 GS
XB: 3[a]
Director of Operations HQ (G)
RB: 1 D-2, 1 P-5
XB:
Coordinator and Representative HQ (A)
RB: 1 D-1
XB: 6[b]
Legal Services
RB: 1 D-1, 2 P-5, 3 P-4
XB: 1 P-3
2[b] 8[a]
External Relations
RB: 1 D-1, 2 P-4, 3 P-3
XB: 1 P-4, 1 P-2
2[b] 12[a]
Policy Analysis
RB: 1 P-5, 1 P-4, 1 P-3
XB: 1 P-2
1[b] 3[a]
New York and Geneva Liaison Offices
RB: 2 P-5, 1 P-4, 2 GS
XB: 1 P-2
Audit and Inspection
RB: 1 D-1, 3 P-4
XB:
6[b] 7[a]
Public Information
RB: 1 P-5, 1 P-3, 1 P-2
XB: 1 P-2
5[b] 8[a]
Administration and Human Resources
RB: 1 D-1, 2 P-5, 4 P-4, 5 P-3, 1 P-2, 3 GS
XB: 1 GS
18[b] 104[a]
Financial Services
RB: 1 D-1, 2 P-5, 5 P-4, 1 GS
XB:
23[b] 51[a]
Department of Education
RB: 1 P-3
XB: 1 D-2, 1 P-5, 1 P-1
45[b] 74[a]
Department of Health
RB:
XB: 1 D-2, 1 P-5
6[b] 13[a]
Department of Relief and Social Services
RB: 1 D-1
XB: 3 P-4, 1 P-3, 1 P-1
8[b] 16[a]
Department of Operational Technical Services
RB: 1 D-1, 3 P-5, 3 P-4, 2 P-4[c], 3 P-3
XB: 1 P-1
37[b] 91[a]
Microfinance and Microenterprise Programme
RB:
XB: 1 D-1
32[b]
Gaza Field Office
RB: 1 P-5, 3 P-4, 3 P-3, 1 P-3[c]
XB: 1 D-1, 1 P-4, 3 P-3, 2 P-2, 1 P-1
169[b] 9,157[a]
Lebanon Field Office
RB: 1 D-1, 1 P-5, 3 P-4, 1 P-3
XB: 1 P-2
110[b] 3,207[a]
Syrian Arab Republic Field Office
RB: 1 D-1, 1 P-5, 4 P-4
XB: 1 P-3, 1 P-2
103[b] 3,907[a]
Jordan Field Office
RB: 1 D-1, 1 P-5, 4 P-4
XB: 1 P-1
177[b] 6,553[a]
West Bank Field Office
RB: 1 D-1, 1 P-5, 5 P-4, 2 P-3, 2 GS
XB: 1 P-4, 9 P-3, 3 P-2
150[b] 4,718[a]

[a] Total number of area posts.
[b] Number of area staff posts equivalent to the P-2 to P-5 levels reporting to international staff.
[c] New posts.

Annex

Outputs produced in 2004-2005 not to be carried out in the biennium 2006-2007

There are no outputs that will not be carried out in the biennium 2006-2007.